



INDEPENDENT ACCOUNTANT'S REPORT ON AGREED-UPON  
PROCEDURES IN CONNECTION WITH GLOBAL PHONE CORPORATION'S  
COMPLIANCE WITH THE FEDERAL COMMUNICATION COMMISSIONS'  
SPECIFIED NINE FACTORS AS OF OCTOBER 26, 2004

At your request we have performed the procedures enumerated below, which were agreed by Global Phone Corp., solely to assist you in monitoring your operational procedures in determining whether the Federal Communication Requirements nine factors included in the representation letter have been complied. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified parties of the report. Consequently, we make no representations regarding the sufficiency of the procedures described below either for the purpose for which this report has been request or for any other purpose.

**Procedure:**

- 1.) To verify if carrier Procedures accurately track calls to completion we:
  - a. Obtained sample of database generated through SQL that identifies payphones originated calls by assigning values ending in 8, 08, 70, 27
  - b. Traced call origins to payphones by searching for sample ending in 8, 08, 70 and 27
  - c. Used data provided by carrier in order to trace calls to its destination by locating last seven-digit number.

**Finding:**

Through the database provided by client we were able to trace calls from the call origin to destination and we reviewed and performed certain procedures to verify that the company carried out procedures to accurately track calls to completion.

**Procedure:**

- 2.) To verify if the carrier has a person or persons responsible for tracking, compensating and resolving disputes concerning payphone completed calls we:
  - a. Contacted and inquired of the Director of Operations at Global Phone, and we were informed that the person(s) responsible for tracking compensating and resolving dispute were:
    - Atlantax Systems, Inc. Linda Hughes 4360 Chamblee Dunwoody Rd. Suite 550 Atlanta, GA 30341 1-770-458-1050 Ext. 144 responsible for handling disputes.

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Tel: 703.437.8877 • Fax: 703.437.8937

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- b. Reviewed disputes that occurred in July '04, August '04 and Sept '04.
- c. Determined how the calls originated and what procedures were taken to resolve the dispute.

**Finding:**

The company has a person or persons responsible for tracking, compensating and resolving disputes concerning payphone completed calls. Also obtained from Atlantax contact person solely responsible for resolving disputes as well as written procedures. The carrier has a person or persons responsible for tracking, compensating and resolving disputes concerning payphone completed calls.

**Procedure:**

3.) To Determine whether the carrier has effective data monitoring procedures we visited the client site to determine if Global Phone has in place effective data monitoring procedures.

**Finding:**

Global Phone monitors all data from logs generated by the Voice Ware Dialogic based switches. The log files list all call data.

**Procedure:**

We inquired how they determine or identify when calls are received to where they are designated. We verified these procedures in a visit client site and make observation and inquiries regarding security issues. We corroborated that Switch settings are implemented by manufacturer of equipment (Voice Ware Dialogic).

- a.) The log data has been generated to act in the manner set.
- b.) Alterations would require manufacturer to change software.
- c.) Global Phone would not have ability to change settings without manufacturer of equipment (Voice Ware) assistance.
- d.) Security passwords are installed.
- e.) Administrative rights guard any network changes.
- f.) Administrative passwords, rights and abilities closely monitored

**Finding:**

The carrier adheres to established protocols to ensure that any software, personnel, or other network changes do not adversely affect its payphone call tracking ability.

**Procedure:**

5.) To verify if the carrier has created a compensated payphone call file by matching call detail records against payphone identifier we asked the carrier to run data for July, August and September 2004 and pick a sample of it.

**Finding:**

We found that out of 3 samples picked 3/3 matched payphone with payphone identifier.

And also the carrier has created a compensated payphone call file by matching call detail records against payphone identifiers.

**Procedure:**

6.) To verify and determine whether carrier has procedures to incorporate call data into required reports we traced work papers provided by Atlantax and tested following:

- a. Call data
- b. Originating Number
- c. 8xx Number
- d. Connect Number
- e. Payphone Indicator
- f. CIC Code (Carrier Identification Code)

**Finding:**

As a result we verified that Global Phone Corporation through the Data Net System LLC for IPTA4q03GBLP.MDF was able to trace:

- a.) Call Data
- b.) Originating Number
- c.) 8xx Number
- d.) Connect Number
- e.) Payphone indicator
- f.) CIC Code (Carrier Identification Code)

We reviewed and verified that carrier has procedures to incorporate call data into required reports.

**Procedure:**

7.) Reviewed whether the carrier has implemented procedures and controls needed to resolve payphone compensation disputes. We contacted Atlantax and obtained written procedures.

**Finding:**

We verified that the Carrier has implemented procedures and controls needed to resolve payphone compensation disputes.

**Procedure:**

8.) Reviewed and determine whether the independent auditor can test all critical controls and procedures to verify that errors are insubstantial. Also, obtained report for 3<sup>rd</sup> Quarter identifying all calls and errors made. Spoke with Atlantax to determine nature of errors. Determined if errors could be resolved within a specified period of time.

**Finding:**

We received the report on third quarter of 18,984 calls 196 were disputed of which 183 Atlantax and Global Phone were able to resolve. At the present time 13 remain unresolved. As a result an independent auditor can test all critical controls and procedures and verify that errors are not substantiated or immaterial.

**Procedure:**

9.) Reviewed and inquired the carrier to determine whether they have in place adequate and effective business rules for implementing and paying phone compensation, including rules used to:

- a.) Identify calls originated from payphones
- b.) Identify compensated payphone calls.
- c.) Identify incomplete or otherwise non-compensated calls.
- d.) Determine the identities of the Payphone Service Providers (PSPs) to which the carrier owes money.

Contacted Atlantax and suggested running a test where:

- a.) Global Phone would download 30 days (3<sup>rd</sup> Quarter) on their Call Detail Recording (CDRs)
- b.) Atlantax would then perform mock procedures
- c.) Identify the call
- d.) Where call originated from
- e.) "Pretend" as if they were paying them.
- f.) Using the FTP website Global Phone can drop their records

**Finding:**


We verified that 14,791 calls out of 18,984 were matched corrected and "paid", and that from the 196 originally disputed (could not identify proper payphone owner), using the dispute resolution procedures they were able to resolve 183 leaving only 13 unresolved. Also, of the 3,997 of the unmatched calls are

primarily due to timing difference and that payphone owners have one year to submit file. This number is most likely to go down. Atlantax provided download of Payphone Service Providers to which the carrier owes money. As a result carrier has in place adequate and effective business rules for implementing and paying phone compensation, including rules used to:

- a.) Identify calls originated from payphones
- b.) Identify compensated payphone calls.
- c.) Identify incomplete or otherwise non-compensated calls.
- d.) Determine the identities of the Payphone Service Providers (PSPs) to which the carrier owes money.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion, on the accounting record. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of Global Phone Corp., and is not intended to be and should not be used by anyone other than those specified parties.



MillerMusmar

Reston, VA  
October 26, 2004